

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

L

W-02211A
Loma Linda Water Company
P. O. Box 967
Thatcher AZ 85552

ANNUAL REPORT

*Entered
6-12-03
Cym*

FOR YEAR ENDING

12	31	2002
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ARIZONA CORPORATION
COMMISSION

RECEIVED
JUN 18 2003

Director of Utilities

FOR COMMISSION USE

ANN04 02

COMPANY INFORMATION

Company Name (Business Name) Loma Linda Water Co., Inc.

Mailing Address P.O. Box 967

(Street)

Thatcher

(City)

AZ

(State)

85552

(Zip)

(928) 428-5420

Telephone No. (Include Area Code)

(928) 428-3358

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address P.O. Box 967

(Street)

Thatcher

(City)

AZ

(State)

85552

(Zip)

(928) 428-5420

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: Bevan Barney President/ Gen. Manage

(Name)

(Title)

P.O. Box 967

(Street)

Thatcher

(City)

AZ

(State)

85552

(Zip)

(928) 428-5420

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: Bevan Barney

(Name)

P.O. Box 967

(Street)

Thatcher

(City)

AZ

(State)

85552

(Zip)

(928) 428-5420

Telephone No. (Include Area Code)

(928) 428-3358

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address bbarney@aepnet.com

Statutory Agent: Bevan Barney

(Name)

9750 Jackrabbit Rd.

(Street)

Safford

(City)

AZ

(State)

85546

(Zip)

(928) 428-5420

Telephone No. (Include Area Code)

(928) 429-3358

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: _____

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☒ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	-	-	-
302	Franchises	2,741	-	2,741
303	Land and Land Rights	455	-	455
304	Structures and Improvements	2,830	2,138	692
307	Wells and Springs	24,192	19,375	4,817
311	Pumping Equipment	13,850	13,850	-
320	Water Treatment Equipment	-	-	-
330	Distribution Reservoirs and Standpipes	15,486	12,391	3,095
331	Transmission and Distribution Mains	117,161	80,096	37,065
333	Services	15,343	15,343	-
334	Meters and Meter Installation	10,832	8,537	2,295
335	Hydrants	-	-	-
336	Backflow Prevention Devices	-	-	-
339	Other Plant and Misc. Equipment	-	-	-
340	Office Furniture and Equipment	430	332	98
341	Transportation Equipment	30,237	16,399	13,838
343	Tools, Shop and Garage Equipment	-	-	-
344	Laboratory Equipment	-	-	-
345	Power Operated Equipment	23,842	23,842	-
346	Communication Equipment	1,338	803	535
347	Miscellaneous Equipment	844	451	393
348	Other Tangible Plant	-	-	-
	TOTALS	259,581	193,557	66,024

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Accumulated Depreciation (2)	Depreciation Expense (1x2)
301	Organization	-		-
302	Franchises	2,741	0.00%	-
303	Land and Land Rights	455	0.00%	-
304	Structures and Improvements	2,830	3.33%	94
307	Wells and Springs	24,192	3.33%	806
311	Pumping Equipment	13,850	3.29%	456
320	Water Treatment Equipment	-		-
330.1	Storage Tanks	9,292	2.22%	206
330.2	Pressure Tanks	6,194	5.00%	310
331	Transmission and Distribution Mains	117,161	2.00%	2,343
333	Services	15,343	2.20%	334
334	Meters and Meter Installation	10,832	8.33%	902
335	Hydrants	-		-
336	Backflow Prevention Devices	-		-
339	Other Plant and Misc. Equipment	-		-
340	Office Furniture and Equipment	430	6.67%	29
341	Transportation Equipment	30,237	20.00%	6,047
343	Tools, Shop and Garage Equipment	-		-
344	Laboratory Equipment	-		-
345	Power Operated Equipment	23,842	5.00%	-
346	Communication Equipment	1,338	10.00%	134
347	Miscellaneous Equipment	844	10.00%	84
348	Other Tangible Plant	-		-
	TOTALS	259,581		11,745

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ -	\$ 13,646
134	Working Funds	-	-
135	Temporary Cash Investments	9,350	9,350
141	Customer Accounts Receivable	6,169	5,455
146	Notes/Receivables from Associated Companies	-	-
151	Plant Material and Supplies	-	-
162	Prepayments	-	-
174	Miscellaneous Current and Accrued Assets	-	-
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 15,519	\$ 28,451
	FIXED ASSETS		
101	Utility Plant in Service	\$ 259,581	\$ 259,581
103	Property Held for Future Use	-	-
105	Construction Work in Progress	-	-
108	Accumulated Depreciation - Utility Plant	(181,812)	(193,557)
121	Non-Utility Property	-	-
122	Accumulated Depreciation - Non Utility	-	-
	TOTAL FIXED ASSETS	\$ 77,769	\$ 66,024
	TOTAL ASSETS	\$ 93,288	\$ 94,475

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 1,559	\$ 807
232	Notes Payable (Current Portion)	5,305	5,461
234	Notes/Accounts Payable to Associated Companies	-	-
235	Customer Deposits	1,415	1,415
236	Accrued Taxes	3,226	2,874
237	Accrued Interest	-	-
241	Miscellaneous Current and Accrued Liabilities	59,000	59,000
	TOTAL CURRENT LIABILITIES	\$ 70,505	\$ 69,557
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 13,955	\$ 8,494
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$ -	\$ -
252	Advances in Aid of Construction	-	-
255	Accumulated Deferred Investment Tax Credits	-	-
271	Contributions in Aid of Construction	-	-
272	Less: Amortization of Contributions	-	-
281	Accumulated Deferred Income Tax	-	-
	TOTAL DEFERRED CREDITS	\$ -	\$ -
	TOTAL LIABILITIES	\$ 84,460	\$ 78,051
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 49,910	\$ 49,910
211	Paid in Capital in Excess of Par Value	9,979	9,979
215	Retained Earnings	(51,061)	(43,465)
218	Proprietary Capital (Sole Props and Partnerships)	-	-
	TOTAL CAPITAL	\$ 8,828	\$ 16,424
	TOTAL LIABILITIES AND CAPITAL	\$ 93,288	\$ 94,475

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 54,460	\$ 62,823
460	Unmetered Water Revenue	-	-
474	Other Water Revenues	340	695
	TOTAL REVENUES	\$ 54,800	\$ 63,518
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 24,652	\$ 23,662
610	Purchased Water	-	-
615	Purchased Power	3,427	4,182
618	Chemicals	-	-
620	Repairs and Maintenance	2,312	591
621	Office Supplies and Expense	872	615
630	Outside Services	2,260	1,793
635	Water Testing	1,390	885
641	Rents	1,300	1,200
650	Transportation Expenses	1,928	950
657	Insurance-General Liability	1,535	3,737
659	Insurance-Health and Life	-	-
666	Regulatory Commission Expense - Rate Case	-	-
675	Miscellaneous Expense	2,628	642
403	Depreciation Expense	11,115	11,745
408	Taxes Other Than Income	5,672	2,131
408.11	Property Taxes	3,593	2,596
409	Income Tax	45	705
	TOTAL OPERATING EXPENSES	\$ 62,729	\$ 55,434
	OPERATING INCOME/(LOSS)	\$ (7,929)	\$ 8,084
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ -	\$ -
421	Non-Utility Income	-	-
426	Miscellaneous Non-Utility Expenses	-	-
427	Interest Expense	301	488
	TOTAL OTHER INCOME/EXP	\$ (301)	\$ (488)
	NET INCOME/(LOSS)	\$ (8,230)	\$ 7,596

COMPANY NAME Loma Linda Water Co.

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	6/25/2001			
Source of Loan	Ford Credit			
ACC Decision No.				
Reason for Loan	New Vehicle			
Dollar Amount Issued	\$ 21,856.00			
Amount Outstanding	\$ 13,955.00			
Date of Maturity	6/25/2005			
Interest Rate	2.90%			
Current Year Interest	\$ 488.00			
Current Year Principle	\$ 5,305.00			

Meter Deposit Balance at Test Year End \$ 1,415.00 .

Meter Deposits Refunded During the Test Year \$ 0 .

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Size (Inches)	Meter Size (inches)	Year Drilled
55-62-63-02	2	65	150 ft	6	NONE	1978
55-62-63-03	3	85	150 ft	6	NONE	1978

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
N/A		N/A	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
10,000	3	4000	1
		2000	1
		1500	1

COMPANY NAME Loma Linda Water Co.

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
N/A		N/A	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
10,000	3	4000	1
		2000	1
		1500	1

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	5625
5		
6	PVC	8700
8		
10		
12		

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X 3/4	130
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

N/A

COMPANY NAME Loma Linda Water Co.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLONS PUMPED (Thousands)
JANUARY	123	749364	873887
FEBRUARY	121	626300	762368
MARCH	123	679780	832024
APRIL	122	1282630	1611516
MAY	122	1527340	1725455
JUNE	122	1865150	1940992
JULY	121	1303630	1415502
AUGUST	121	1228040	1376936
SEPTEMBER	122	1133850	1225265
OCTOBER	123	965776	1079300
NOVEMBER	123	776844	889575
DECEMBER	123	637966	774490
TOTAL		N/A	14507310

12776670^{cms}

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes (X) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (X) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well in your system 0.0030 mg/l
(If more than one well, please list each separately)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Loma Linda Water Co.

YEAR ENDING 12/31/2002

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2002 was: \$ 2,596

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

YEAR ENDING 12/31/2002

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	2,592
Estimated or Actual Federal Tax Liability	389

State Taxable Income Reported	4,602
Estimated or Actual State Tax Liability	316


Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
 Amount of Gross-Up Tax Collected _____
 Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

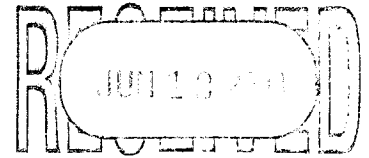

SIGNATURE

6/9/03
DATE

PRINTED NAME _____

TITLE

VERIFICATION AND SWORN STATEMENT Intrastate Revenues Only

**VERIFICATION**STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)

Graham

NAME (OWNER OR OFFICIAL) TITLE

Kathleen Barney - Secretary/Treasurer

COMPANY NAME

Loma Linda Water Company**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION****FOR THE YEAR ENDING**

MONTH

12

DAY

31

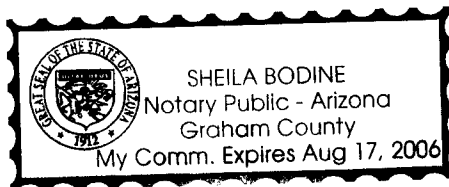
YEAR

2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:



Arizona IntraState Gross Operating Revenues Only (\$)

\$ 64,446.50

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 1,623.65
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

9th

DAY OF

(SEAL)

MY COMMISSION EXPIRES

8/17/03

SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

COUNTY NAME

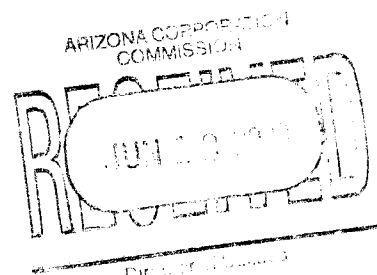
Graham

MONTH

June2003

SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) <u>Graham</u>	
NAME (OWNER OR OFFICIAL) <u>Kathleen Barney</u>	TITLE <u>Secretary/Treasurer</u>
COMPANY NAME <u>Loma Linda Water Company</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2002</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

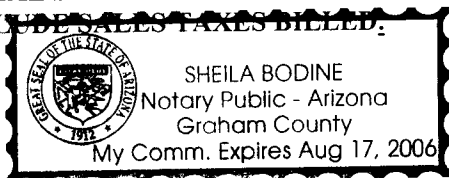
SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ <u>64,446.50</u>
--

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 1623.65
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED:



Kathleen Barney
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

9th

DAY OF

NOTARY PUBLIC NAME <u>Sheila Bodine</u>	
COUNTY NAME <u>Graham</u>	
MONTH <u>June</u>	<u>2003</u>

(SEAL)

MY COMMISSION EXPIRES

8/17/06

X Sheila Bodine

SIGNATURE OF NOTARY PUBLIC

3667

LOMA LINDA ESTATES, INC.

P. O. BOX 967 428-5420
THATCHER, AZ 85552

91-504/1221

Pay to the Order of Greenlee County Treasurer

12/11 2002

\$ 2596²⁴

Two thousand five hundred ninety six & 24/100

Dollars

Security features
are included.
Details on back.

THE STOCKMEN'S BANK

SAFFORD BRANCH
P.O. BOX M
SAFFORD, ARIZ. 85548

For 2001 property taxes

Signed Patricia L. Loney

MP

⑈003667⑈ ⑆122105045⑆ 1501002073⑈

⑈0000259624⑈

STOCKMENS BANK
400230972 12-18-02 02.0910049885

121805045

DEC 18 02

PAY TO THE ORDER OF
THE STOCKMEN'S BANK
MORENCI, AZ 85540
FOR DEPOSIT ONLY
PAT HERNANDEZ
GREENLEE COUNTY TREASURER
36030012601